



**THE COUNCIL OF THE CITY OF BINGHAMTON
STATE OF NEW YORK**

Date: March 20, 2013

Sponsored by Council Members: Motsavage, Webb, Rennia, Mihalko, Berg, Papastrat

Introduced by Committee: Municipal & Public Affairs

RESOLUTION

entitled
**A RESOLUTION URGING THE BROOME
COUNTY EXECUTIVE AND BROOME
COUNTY LEGISLATURE TO RESTORE A FAIR
DISTRIBUTION OF LOCAL SALES TAX
REVENUE**

WHEREAS, in the mid-1990s, the New York State Legislature authorized Broome County to collect an additional 1% in sales tax, increasing the tax from a then 7% to the current 8%. The extra one percent was retained by the County and not shared equally with the 24 Broome County municipalities; and

WHEREAS, in 2005, the then-County Administration, again facing rising Medicaid costs, changed the formula from a 50-50 sharing arrangement on the first 3% that the County collects to a 55-45 formula, with the remaining 1% to remain with the County. Thereafter, when the State of New York capped Medicaid costs at no more than 3% growth, the County, at the request of its local municipalities, repealed the 55-45 formula and returned to the original 50-50 formula; and

WHEREAS, in 2009, the County Legislature change the formula again to cap the amount a municipality can receive. The new formula provides that the local municipalities' share during the years 2011 through 2014 shall not exceed by more than one-half percent (0.5%) the average distribution of the prior year; and

WHEREAS, a 50-50 sharing arrangement on the first 3% of sales tax revenues collected by Broome County, with the 4th percent being wholly retained by the County, results in Broome County retaining almost two-thirds of the sales tax revenue, while the remaining revenue is shared by the 16 towns, seven villages, and one city within Broome County; and

WHEREAS, Broome County instituted the cap so as to weather bad economic times that have now passed the County; as evidence, Broome County has passed consecutive budgets, for fiscal years 2012 and 2013, with no tax increase at all; and

WHEREAS, Broome County data shows that the cap on sales tax revenue has deprived the City of Binghamton of more than \$2.8 million in fiscal years 2011 and 2012. This amount stands to grow even more in the coming years; and

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WHEREAS, the difficult economic times facing Broome County's municipalities have forced – and continue to force – unprecedented cuts in Police, Fire, elsewhere in public safety and other critical services, while also compelling significant increases in municipal taxes on residents and businesses owners. For example, the City of Binghamton has reduced its workforce by 70 positions, more than 11%, since 2006. That includes a reduction of 21 locally-paid police officers (14% of the police force) and 14 firefighters (10% of the Fire Department); and

WHEREAS, the new cap thus effectively means that the local municipalities shall share in bad economic times, but do not enjoy good economic times.

NOW THEREFORE, the Council of the City of Binghamton, duly convened in regular session, does hereby:

RESOLVE, that the Broome County Executive and Legislators remove the cap and restore the 50/50 sales tax distribution agreement with the municipalities of Broome County; and be it further

RESOLVED, that certified copies of this resolution shall be sent to Broome County Executive Debra A. Preston and all members of the Broome County Legislature.

I hereby certify the above to be a true copy
of the legislation adopted by the Council
of the City of Binghamton at a meeting
held on 3/20/13. Approved by the
Mayor on 3/21/13.



Introductory No. R13-32
Permanent No. R13-32

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LEGISLATURE TO RESTORE A FAIR
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The within Resolution was adopted by the Council of
the City of Binghamton.

Date MARCH 20, 2013
City Clerk Edwyla Holmes

Date Presented to Mayor MARCH 21, 2013
3/21/13

Date Approved 3/21/13
Mayor Matthew R. G.

	Ayes	Nays	Abstain	Absent
Motsavage	✓			
Mihalko	✓			
Rennia	✓			
Webb	✓			
Papastrat	✓			
Matzo	✓			
Berg				✓
Total	6	0	0	1

☐ Code of the City of Binghamton

☒ Adopted ☐ Defeated

6 Ayes 0 Nays 0 Abstain 1 Absent